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Key Trends Influencing Countries—Why Countries Are Building M&E Systems

Research by OECD suggests that there are cycles or trends in the types of public sector reform countries adopt (for example, OECD 1995, 1997a, 1997b, 1998b, 2004, 2005). Reform priorities that developed countries emphasized during the 1990s included privatization, customer service standards, results-based management, contracting out, performance pay, decentralization, and performance budgeting.

Similar trends influence developing countries, some of which consciously look to adopt world best practice approaches. As noted earlier, this can be a dangerous concept for M&E systems because of the need to tailor them closely to country circumstances and priorities.

The influence of OECD trends on developing countries appears to operate with a delay of a number of years. The significant benefit from this is that developing countries can learn about the successes and failures of implementation elsewhere.

Thus, in Latin America, for example, it is evident that a growing number of countries—as many as 20—are currently working to strengthen their government M&E systems (May and others 2006). A second explanation of this trend is the demonstration effect provided by the leading countries, including Chile, Colombia, Mexico, and Brazil. Third, a common set of economic and social pressures are perhaps more important in Latin America: continuing macroeconomic and budgetary constraints; dissatisfaction that growth in gov-

ernment spending in the social sectors has not been matched by commensurate increases in the quality or quantity of services provided; continuing pressures to improve and extend government service delivery and income transfers; and growing pressures for government accountability and for “social control”—that is, clearer accountability of governments to ordinary citizens and to the congress.

In Eastern Europe an additional influence is seen. Countries that have joined the European Union or are candidate countries are required to strengthen their M&E systems, and this is providing further impetus to the trend (Boyle 2005).

The initiatives of international donors such as the World Bank are also having a strong influence on borrower countries, particularly those that are more dependent on international aid. The Bank’s debt relief initiative for heavily indebted poor countries has required—as a form of donor conditionality—the preparation of poverty reduction strategy papers (PRSPs) by the countries,

including measures of the extent of the country's success in poverty-reduction efforts (IEG 2002). Donor emphasis on achievement of the MDGs is necessitating a similar focus. PRSPs have required an analysis of each country's M&E system, particularly the adequacy of available performance indicators. However, most poor countries have found it difficult to strengthen their monitoring systems, in terms of data production and especially in terms of data utilization (World Bank and International Monetary Fund 2004; Bedi and others 2006).

There are also strong accountability pressures on international donors themselves to demonstrate results from the billions of dollars in aid spent each year and to place more emphasis on M&E. For the World Bank, these pressures have led to its results agenda, which entails among other things the requirement that the Bank's country assistance strategies be focused firmly on the extent to which results are actually achieved and the Bank's contribution to them (World Bank 2004a, IEG 2006).

This movement is leading to a considerably greater focus on the availability of M&E information about the performance of Bank projects in countries, as well as on broader issues of country performance in relation to development objectives. This in turn necessitates a greater reliance on country monitoring systems and the information they produce.¹ And weaknesses in these systems are prompting the Bank to put more effort into providing support to strengthen them through Bank loans, grants, and technical assistance.

At the same time, there is a somewhat changing emphasis in the loans made by the Bank and other donors, away from narrowly defined projects and toward programmatic lending. This entails provision of block funding (in effect, broad budget support). The absence of clearly defined project activities and outputs from such lending also requires a focus on big-picture results or outcomes of development assistance. This in turn requires a greater reliance on country systems for national statistics and for M&E of government programs.

Similar accountability pressures on other donors have led to both their greater involvement in these issues and greater collaboration. One vehicle that allows donors to share experience in this topic is the Managing for Development Results Initiative, which promotes better measurement, monitoring, and management for results by donors and governments. This initiative was established at a meeting of the multilateral development banks in Monterrey, Mexico, in 2002 and has led to an ambitious program of activities, including high-level conferences in Marrakech (2004), Paris (2005), and Hanoi (2007). The initiative has also included the preparation of a growing collection of resource materials and case studies from developing countries concerning the application of M&E and performance management at the national, sector, program, and project levels.²

These factors have combined to increase the level of donor involvement in building or strengthening developing countries' M&E systems. Part of this effort is focused on national statistical systems that measure *country* progress against the MDGs. Part is focused on the government systems for M&E of *government* performance. (The importance of this distinction is discussed in chapter 9.)

IEG has estimated that, by 2002, the World Bank was already working with more than 30 countries on the latter type of system building (IEG 2002); the number has increased substantially since that time. The World Bank has a Regional program to support building M&E systems in Latin America, and this includes the creation of a high-level community of practice for M&E system managers and others. The Asian Development Bank also created a similar community of practice,³ and the African Development Bank has announced a similar community for Africa. The Inter-American Development Bank in 2005 initiated a program of support to help countries in the Latin America and Caribbean Region build their M&E systems; about 20 countries have received grant support via this program. Other donors, such as the United Kingdom's Department for International Development (DFID), are also increasingly active in this area. DFID, for example, has had a particular focus

on poverty monitoring systems and on the use of performance information to support the budget process (for example, Booth and Lucas 2001a, 2001b; Roberts 2003).

One final trend that is influencing the focus on M&E is the growth in the number and membership of national, regional, and global evaluation associations. In Africa, for example, there are now 16 national associations, and some of these (such as in Niger, Rwanda, Kenya, and South Africa) have been particularly active in recent years. Sustaining their level of activity is a continuing challenge, however, as it depends very much on the presence and energy of local champions.

There are also several regional associations, such as the African Evaluation Association (AfrEA) and, in Latin America, Preval and the new regional association, ReLAC (Red de Seguimiento, Evaluación y Sistematización en América Latina y el Caribe—Latin America and Caribbean Evaluation Network). At the global level there is the International Development Evaluation Association

(IDEAS) and the International Organisation for Co-operation in Evaluation; the latter association comprises the heads of regional and national evaluation associations.⁴ Multilateral and bilateral donors, including the World Bank, have provided funding and other support for a number of these evaluation associations.

These associations reflect, in part, the growing interest in M&E and the growing number of individuals working in the field. Such communities of practice have the potential to influence the quality of M&E work and thus to facilitate the efforts of governments to strengthen their M&E systems. Some national associations, such as the one in Niger (RenSE), have involved close collaboration among academics, consultants, government officials, and donor officials; the major conferences of regional and global evaluation associations, such as AfrEA and IDEAS, are also bringing these constituencies together. This growth has the potential to spread awareness and knowledge of M&E among government officials—and thus to increase demand for it.